

R E M A R K S

Claims 1 - 51 were pending in the present application.
Claims 1 - 50, and 52 will be pending upon entry of this amendment.
Claim 49 has been amended.
Claim 51 has been canceled.
New claim 52 has been added.
Claims 1, 16, 19, 31, 34, 46, 49, 50 and 52 are independent.

I. Section 102 Rejections

Claims 2 - 9, 14, 15, 20 - 24, 29, 35 - 39, 44 and 45 stand rejected as anticipated by U.S. Patent No. 5,997,236 to Picioccio et al. Applicants respectfully traverse the Examiner's Section 102 rejection.

Applicants note that all of the claims rejected under Section 102 are dependent directly or indirectly on claims that have been rejected under Section 103. For example, each of independent claims 1, 16, 19, 31, 34, 46, 49 and 50 are rejected under Section 103. Since these independent claims are not anticipated by any reference under Section 102, dependent claims (which by definition include every limitation of the independent claims from which they depend) likewise cannot be anticipated by any reference under Section 102. See, e.g., MPEP 706.02:

[F]or anticipation under 35 U.S.C. § 102, the reference must teach every aspect of the claimed invention either explicitly or impliedly. ... Whereas, in a rejection based on 35 U.S.C. § 103, the reference teachings must somehow be modified in order to meet the claims.

Accordingly, Applicants will treat the rejection of claims 2 - 9, 14, 15, 20 - 24, 29, 35 - 39, 44 and 45 as a rejection under Section 103, discussed below.

Similarly, the Examiner has asserted several times that Picioccio "discloses" particular subject matter, but then indicated that Picioccio must be modified to match that subject matter. Applicants will treat these assertions as Picioccio "suggesting" rather than "disclosing" that subject matter.

II. Section 103(a) Rejections

Claims 1, 10 - 13, 16 - 19, 25 - 28, 30 - 34, 40 - 43 and 46 - 51 are rejected as being unpatentable over Picioccio, Koga and various Official Notice by the Examiner. Applicants respectfully traverse the Examiner's Section 103(a) rejection.

None of the references cited by the Examiner, either alone or in combination, disclose or suggest the invention in any pending independent claim. Accordingly, the independent claims and claims dependent thereon are allowable over the cited references.

A. Independent Claim 1

In summary, in Picioccio there is *no possibility of operating at a loss or not meeting a breakeven point*. In Picioccio, the consumer receives the same quantity of product at the same price that would have been paid had the mystery option not been selected. Accordingly, there is no need to consider minimum acceptable price data. The Examiner has proposed a modification of Picioccio that is neither suggested by nor useful to the system Picioccio.

Some limitations of the Picioccio system is discussed in the Background of the present application at page 4, lines 14 - 19:

[In Picioccio the] consumer receives the same quantity of product at the same price that would have been paid had the mystery option not been selected. As such, this attempt *fails to actively promote* the sale of low demand, perishable and less profitable products through any form of reducing pricing schedule and/or perishable product expiration date analysis.
(emphasis added)

Notably, the Examiner acknowledges that the following limitations of claim 1 are not disclosed by Picioccio:

maintaining a database of product data, including normal price data and minimum acceptable price data for each of a plurality of products;
selecting a product from among the plurality of products based on the monetary value and the minimum acceptable price data;

The Examiner has also taken "official notice" of the following material:

"that both normal price data and minimum acceptable price data for each of a plurality of products is old and well known in the retail and economic arts."
(Office Action, pg. 6, paragraph 6(a) - regarding the maintaining step)

"that minimum acceptable price data for each of a plurality of products is old and well known in the retail and economic arts."
(Office Action, pg. 6, paragraph 6(c) - regarding the selecting step)

For both the *maintaining* step and the *selecting* step, the Examiner's rationale for the proposed modification to Picioccio is that it would have been obvious:

"to use such data to insure that the breakeven point is met so that the vending machine is not operating at a loss."

However, this "motivation" is not present in either Picioccio or the knowledge generally available to one of ordinary skill in the art, as discussed below. Accordingly, it cannot be used as a motivation to combine or modify the references.

Regarding the *maintaining* step, even if "both normal price data and minimum acceptable price data for each of a plurality of products" was known, this is far short of the limitation of claim 1 of:

maintaining a database of product data, including normal price data and minimum acceptable price data for each of a plurality of products

The Examiner has not made clear what exactly was "known" - for example, the fact that a product had a minimum acceptable price, or that such a price was in a database with normal price data.

The Examiner has suggested that the "maintaining" limitation would have been obvious because using such data would "insure that the breakeven point is met so that the vending machine is not operating at a loss." However, in Picioccio there is *no possibility of operating at a loss or not meeting the breakeven point*. In Picioccio, the consumer receives the same quantity of product at the same price that would have been paid had the mystery option not been selected. Accordingly, there is no need to consider minimum acceptable price data, and thus nothing in Picioccio suggests the modification proposed by the Examiner. No other art cited by the Examiner recognizes the "need" for a minimum acceptable price that the Examiner proposes. Accordingly, it cannot be used as a motivation to combine or modify the references.

Regarding the *selecting* step, even if "minimum acceptable price data for each of a plurality of products" was known, this is far short of the limitation of claim 1 of:

selecting a product from among the plurality of products based on the monetary value and the minimum acceptable price data;

The Examiner has not made clear what exactly was "known" - for example, the fact that a product had a minimum acceptable price, or that such a price was somehow used in selecting products, or that such a price was somehow used along with a monetary value in selecting products.

Regardless, the Examiner has suggested that the "selecting" limitation would have been obvious because using such data would "insure that the breakeven point is met so that the vending machine is not operating at a loss." However, in Picioccio there is *no possibility of operating at a loss or not meeting the breakeven point*. In Picioccio the consumer receives the same quantity of product at the same price that would have been paid had the mystery option not been selected. Accordingly, there is no need to consider minimum acceptable price data, much less selecting a product based on minimum acceptable price data. Thus, nothing in Picioccio or any other reference suggests the modification proposed by the Examiner. Accordingly, it cannot be used as a motivation to combine or modify the references.

Further, in determining the differences between the prior art and the claims, the question under 35 U.S.C. § 103 is *not whether the differences themselves* would have been obvious, but whether the claimed invention *as a whole* would have been obvious. MPEP 2141.02 (emphasis added). The Examiner seems to have focused on various differences between the prior art and the present invention. For example, the Examiner has asserted that since a "minimal acceptable price" is known, various limitations including a minimal acceptable price would have been obvious.

Further, what the examiner proposes is "well known in the retail and microeconomic arts" is non-analogous to the field of the present invention, and thus may not be used in an obviousness determination. MPEP 2141.01(a).

B. Independent Claims 19, 34 and 49

Independent claims 19, 34 and 49 (as amended) are apparatus and article of manufacture claims corresponding to independent claim 1. Accordingly, independent claims 19, 34 and 49 are likewise patentable over the references cited by the Examiner.

Independent claim 49 has been amended solely to facilitate examination by more closely matching the limitations of independent claim 1.

C. Independent Claim 16

The arguments above regarding the nonobviousness of claim 1 are applicable to the nonobviousness of independent claim 16.

Further, nothing in Picioccio suggests
selecting a second product based on the second monetary value
(where the second monetary value is the difference between a first monetary value
received from a consumer and the price of a first product)

much less the step in claim 16 of:

selecting a second product based on the second monetary value and the minimum acceptable price data;

Further, since selection of this second product is not suggested, the step in claim 16 of:

outputting via an output device an offer of the second product to the consumer;

cannot be suggested by Picioccio.

Further, to "use refunds for complementary purchases and thus to maximize sales" is not suggested by any of the references cited by the Examiner or the knowledge generally available to one of ordinary skill in the art. Accordingly, it is not a proper motivation to combine or modify the references.

Further, what the examiner proposes is well known, such as income tax refunds, is non-analogous to the field of the present invention, and thus may not be used in an obviousness determination. MPEP 2141.01(a).

D. Independent Claims 31, 46 and 50

Independent claims 31, 46 and 50 are apparatus and article of manufacture claims corresponding to independent claim 1. Accordingly, independent claims 31, 46 and 50 are likewise patentable over the references cited by the Examiner.

E. Independent Claim 51

Claim 51 has been canceled, rendering the rejection moot.

F. Remaining (Dependent) Claims

Since all pending independent claims are nonobvious, the remaining dependent claims are likewise nonobvious.

Nevertheless, Applicants further note that the pending dependent claims are themselves nonobvious in light of the references cited by the Examiner.

Applicants also dispute several assertions made by the Examiner with respect to the dependent claims. For example, Applicants dispute the Examiner's assertion in the Office Action that Picioccio discloses or suggests:

"the database includes profitability data" - (with respect to claim 14)

"the database includes demand data and selecting based on the demand data" - (with respect to claims 15, 44)

determining "minimum acceptable price data based on sales activity" - (with respect to claims 24, 39)

"the database includes profitability data ..." - (with respect to claim 29, 44)

"calculating an additional amount" - (with respect to claim 47)

"the database includes complementary product data" - (with respect to claim 48)

"the database includes complementary product data" - (with respect to claim 48)

The cited portions of Picioccio are devoid of any such suggestion.

In light of the above, Applicants submit that claims 1 - 50 are not obvious in view of the references cited by the Examiner.

G. Official Notice by the Examiner

The Examiner has taken Official Notice of subject matter in order to maintain the rejection of the pending claims. For example:

"that both normal price data and minimum acceptable price data for each of a plurality of products is old and well known in the retail and economic arts."
(Office Action, pg. 6, paragraph (a))

"that minimum acceptable price data for each of a plurality of products is old and well known in the retail and economic arts."
(Office Action, pg. 6, paragraph (c))

"that this price model is well known in the retail and microeconomic art."
(Office Action, pg. 7, paragraph (f))

"that this form of price comparison is old and well known in the retail and microeconomic art."
(Office Action, pg. 7, last paragraph)

"that it is old and well known in the vending art for a customer to refuse to select and push the return change button."

(Office Action, pg. 8, second paragraph)

"that crediting "change" or refunds to the next payment is old and well known in the credit and debit payment (as in the income tax refund option to credit the refund to the next year tax liability) art."

(Office Action, pg. 9, paragraph (f))

"that upsell is old and well known in the retail art."

(Office Action, pg. 10, second paragraph)

"that complementary products are old and well known in the food retail industry."

(Office Action, pg. 10, third paragraph)

Because of the terse manner in which the Office Notice is give, Applicants are unsure as to the exact bounds of the art being used as the basis for rejection. Applicants also dispute that the various assertions of which the Examiner has taken official notice were "well known" at the time the invention was made. Accordingly, Applicants traverse the examiner's assertions and request that the Examiner cite appropriate references to support these assertions as required by MPEP 2144.03. Such references will allow Applicants to properly respond to the rejections.

Alternatively, if Examiner believes that the above-described assertions are instead based on personal knowledge, rather than on facts "which are capable of instant and unquestionable demonstration as being 'well- known' in the art", then Applicants respectfully request that the Examiner support these assertions as required with an affidavit as required by MPEP 2144.03.

III. Newly Added Claim 52

Newly added claim 52 distinguishes over the references cited by the Examiner, alone or in combination. For example, none of the references cited by the Examiner disclose or suggest

selecting a second product from the plurality of products based on the second monetary value and minimum acceptable price data for the plurality of products;

OR

outputting an offer of the selected second product without disclosing the identity of the selected second product;

Conclusion

For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

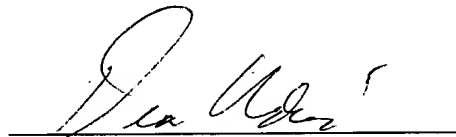
Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Dean Alderucci at telephone number 203-461-7337 or via electronic mail at Alderucci@WalkerDigital.com.

Petition for Extension of Time to Respond

Applicants hereby petition for a **two-month** extension of time with which to respond to the Office Action. Please charge \$390.00 for this petition to our Deposit Account No. 50-0271. Please charge any additional fees that may be required for this Response, or credit any overpayment to Deposit Account No. 50-0271.

If an extension of time is required, or if an additional extension of time is required in addition to that requested in a petition for an extension of time, please grant a petition for that extension of time which is required to make this Response timely, and please charge any fee for such extension to Deposit Account No. 50-0271.

Respectfully submitted,


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Date

A M E N D M E N T

Please amend the above-identified application as follows:

CLAIM AMENDMENTS - MARKED UP FORM

Please **CANCEL** Claim 51.

Please **AMEND** Claim 49 as follows

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49. (AMENDED) A computer-readable storage medium encoded with processing instructions for implementing a method for selling a product from a vending machine, the product identity being concealed at the time of offer, the processing instructions for directing a computer to perform the steps of:
- maintaining a database of product data, including normal price data and minimum acceptable price data for each of a plurality of products;
 - identifying a monetary value available for purchasing a product;
 - selecting a product from among the plurality of products based on the monetary value and the minimum acceptable price data;
 - [offering] outputting via an output device an offer of the product to a consumer [via an output device];
 - determining whether the consumer accepts the product; and
 - dispensing the product if the consumer accepts the product, thereby revealing the identity of the product to the consumer.